



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

April 29, 2003

Messrs. Marty and Fred Holley
H & H Stone Company
P. O. Box 250
Dove Creek, Colorado 81324

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, H & H Stone Company, Holley Project, S/037/117, San Juan, County, Utah

Dear Messrs. Holley:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial \$150.00 permit application fee, received by the Division on February 25, 2003, and supplemented with information received March 28, April 10, and April 28, 2003. The proposed Holley Project Quarry is located in the NW¼ NE¼ NE¼ of Section 32, Township 31 South, Range 26East, SLBM, San Juan County, Utah. Before we could grant acceptance of the notice, we had to receive clearance from the Utah Division of State History that no historical or archaeological properties were in the area of the proposed operation. We have now received their notification that no historic properties will be affected by this operation.

The application is considered complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined, provided you have satisfied and received written acceptance from the School and Institutional Trust Lands Administration. Please be advised that if you encounter any archaeological or historical concerns, you are to immediately cease operations and notify this office, SITLA, and State History of your find.**

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. **It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.**

We understand that you intend to eventually disturb more than five acres, but the acceptance of this notice is for a small mining operation only, **not to exceed five acres**. Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve

Page 2

H & H Stone, Holley Project

S/037/117

April 29, 2003

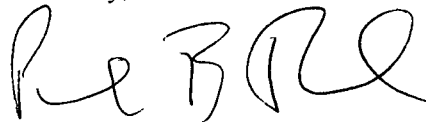
months or longer. By doing concurrent reclamation, it is possible to disturb more than five acres without having a large mining notice, but each reclaimed area would need to be released before you disturbed additional areas.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 2002, and annually thereafter, the fees were increased to \$150.00 for small mining notices.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized, cursive script.

Paul B. Baker
Senior Reclamation Biologist

jb

Enclosure

cc: John Blake (SITLA)

O:\M037-SanJuan\0370117-H&H\final\app-04292003.doc